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DA 07-4373

Released: October 23, 2007

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF MCLEODUSA TELECOMMUNICATIONS SERVICES, INC. FROM MCLEODUSA INCORPORATED TO PAETEC HOLDING CORP.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 07-233

Comments Due: November 6, 2007

Reply Comments Due: November 13, 2007

Pursuant to section 63.03 of the Commission's rules, PAETEC Holding Corp. (PAETEC) and McLeodUSA Incorporated (McLeodUSA Parent) (collectively, Applicants) request authority to transfer control of McLeodUSA Telecommunications Services, Inc. (McLeodUSA) from McLeodUSA Parent to PAETEC.¹ McLeodUSA Parent, a privately held Delaware corporation, wholly owns McLeodUSA, an Iowa corporation. McLeodUSA provides competitive resold and/or facilities-based telecommunications services in 48 states and the District of Columbia. PAETEC, a publicly traded Delaware corporation, provides competitive resold and/or facilities-based telecommunications services in 24 states through its operating subsidiaries.² Applicants state that no person or entity will directly or indirectly hold a 10 percent or greater equity interest in PAETEC. Applicants propose to merge a newly formed subsidiary of PAETEC, PS Acquisition Corp., with McLeodUSA Parent through an all-stock transaction. As a result of the merger, McLeodUSA Parent will become a direct, wholly owned subsidiary of PAETEC. The Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.³

¹ 47 C.F.R. § 63.03; see 47 U.S.C. § 214. Applicants are also filing applications for transfer of control associated with authorization for international services and for local multipoint distribution services. Any action on this domestic 214 application is without prejudice to Commission action on other related, pending applications.

² PAETEC's local markets include Atlanta, Baltimore, Boston, Chattanooga, Charleston, Charlotte, Chicago, Fort Lauderdale, Jacksonville, Knoxville, Los Angeles/Orange County, Louisville, Memphis, Miami, Mobile, Nashville, New Jersey, New Orleans, New York City, Northern Virginia, Orlando, Philadelphia, Pittsburgh, Providence, Raleigh, Rochester, San Diego, Syracuse, Tampa, and Washington, D.C.

³ 47 C.F.R. § 63.03(b)(2)(i).

Application Filed for Transfer of Control of McLeodUSA Incorporated to PAETEC Holding Corp., WC Docket No. 07-233 (filed Oct. 4, 2007).

GENERAL INFORMATION

The Wireline Competition Bureau finds, upon initial review, that the transfer of control identified herein is acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 C.F.R. § 63.03(a), interested parties may file comments on or before November 6, 2007, and reply comments on or before November 13, 2007. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice. Comments must be filed electronically using (1) the Commission's Electronic Comment Filing System (ECFS) or (2) the Federal Government's eRulemaking Portal. See 47 C.F.R. § 63.03(a) ("All comments on streamlined applications shall be filed electronically "); Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (1998).

- Comments may be filed electronically using the Internet by accessing the ECFS, <u>http://www.fcc.gov/cgb/ecfs/</u>, or the Federal eRulemaking Portal, http://www.regulations.gov.

 Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form". A sample form and directions will be sent in response.

In addition, email one copy of each pleading to each of the following:

- 1). The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: 202 / 488-5300; fax: 202 / 488-5563;
- 2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, tracey.wilson-parker@fcc.gov;
- 3) Nicholas Degani, Competition Policy Division, Wireline Competition Bureau, <u>nicholas.degani@fcc.gov</u>;
- 4) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

⁴ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; telephone: 202 / 488-5300; fax: 202 / 488-5563; email: fcc@bcpiweb.com; url: www.bcpiweb.com; url:

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For further information, please contact Tracey Wilson-Parker at 202 / 418-1394 or Nicholas Degani at 202 / 418-2277.